

**Updated Informative Digest for  
Adoption of Proposed Amendments to Appendices A and B to  
California Code of Regulations, Title 18,  
Section 6001, General Provisions**

On May 25, 2011, the State Board of Equalization (Board) held a public hearing regarding the adoption of proposed amendments to appendices A and B to California Code of Regulations, title 18, section (Regulation) 6001, *General Provisions*, and unanimously voted to adopt the proposed amendments without any changes. No interested parties asked to speak at the public hearing and no interested parties submitted written comments objecting to the adoption of the proposed amendments or recommending alternative amendments.

There have not been any changes to the applicable laws or the general effect of the adoption of the proposed amendments to appendices A and B to Regulation 6001 described in the Informative Digest included in the Notice of Intention (Cal. Reg. Notice Register 2011, No. 11-Z (March 18, 2011), pp. 377-379).

*Current Law*

Government Code section 87300 requires the Board to adopt a conflict of interest code. Government Code section 87302, subdivision (a) requires that the Board's conflict of interest code contain a:

Specific enumeration of the positions within the agency, other than those specified in Section 87200, which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest and for each such enumerated position, the specific types of investments, business positions, interests in real property, and sources of income which are reportable.

The Board's conflict of interest code is set forth in Regulation 6001, *General Provisions*, and appendices A and B to Regulation 6001. Appendix B contains the Board's numbered disclosure categories, which each describe different types of reportable economic interests. Appendix A designates (or lists) the Board's positions that involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest, and specifies each listed position's reportable economic interests by reference to the numbered disclosure categories in appendix B.

*Proposed Amendments*

The Board reviewed its entire organizational chart and the descriptions for all of the job classifications (positions) listed therein to determine whether appendix A to Regulation 6001 lists all of the current Board positions, including officers and consultants, but not elected officers, such as the Board Members, that make decisions, or advise or make

recommendations to decision makers directly or without significant intervening substantive review, and to determine whether appendix A requires employees in all of the designated positions to disclose all of their economic interests that could reasonably come into potential conflict with such decisions. The Board also reviewed the disclosure categories described in appendix B to Regulation 6001 to ensure that the categories sufficiently describe all of the economic interests that designated employees are required to disclose in a clear, concise, and efficient manner. During its February 22, 2011, Board meeting:

- I. The Board determined that there are positions and divisions that need to be deleted from appendix A because they no longer exist;
- II. The Board determined that it needs to amend disclosure categories 1, 2, and 8, and delete disclosure category 10 in appendix B in order to create a full disclosure category, a business taxes and fees disclosure category, and a disclosure category applicable to both telecommunications and information technology property and services;
- III. The Board determined that it needs to amend appendix A to require full disclosure from the Board's Executive Director, Executive Team Members, Assistant Chief Counsels, other Career Executive Assignment (CEA) positions, Tax Counsels, and Administrative and Executive Assistants; and
- IV. The Board determined that each of its departments and most of its divisions have positions that need to be added to appendix A and/or positions that need to be assigned new disclosure categories due to changes in the Board's organizational structure and personnel since appendix A was last amended.

Therefore, the Board is proposing to amend appendices A and B to Regulations 6001 in accordance with those determinations, as explained in detail in the Initial Statement of Reasons.

### *Public Hearing*

On May 25, 2011, the Board conducted a public hearing and unanimously voted to adopt the proposed amendments to appendices A and B to Regulation 6001 for the specific purposes of ensuring that the Board's conflict of interest code complies with the requirements of Government Code section 87302 by:

- Listing all of the current Board positions, including officers and consultants, but not elected officers, such as the Board Members, that make decisions, or advise or make recommendations to decision makers directly or without significant intervening substantive review; and
- Requiring employees in listed positions to disclose all of their economic interests that could reasonably come into potential conflict with such decisions.

The Board also determined that the proposed amendments are reasonably necessary for the specific purpose of ensuring that the disclosure categories in appendix B describe all

of the economic interests that employees in listed positions are required to disclose in a clear, concise, and efficient manner.

*No Interested Parties Comments*

No interested parties asked to speak at the public hearing and no interested parties submitted written comments objecting to the adoption of the proposed amendments or recommending alternative amendments.

*No Comparable Federal Regulations*

There are no comparable federal regulations or statutes to appendices A and B to Regulation 6001.